

# JOTF JOB OPPORTUNITIES TASK FORCE

*Advocating better skills, jobs, and incomes*

**TESTIMONY IN SUPPORT OF HOUSE BILL 364:**  
**State Finance and Procurement - Central Collection Unit - Powers**

TO: Hon. Maggie McIntosh, Chair, and Members of the House Appropriations  
Committee  
FROM: Christopher Dews, Policy Advocate  
DATE: January 27, 2020

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. We support House Bill 364 as a means of reducing the impact of fines and fees on workers.

In 2018, JOTF released a report called “The Criminalization of Poverty” which dissects the intersections in which Maryland residents from impoverished communities unjustly encounter the Criminal Justice System. One of the most salient ways is the inability to pay fines and fees imposed by the state. From parking tickets, impounded vehicles or “boots”, MVA registrative flags, red-light ticketing, speed cameras, or racial profiling leading to increased traffic stops in black and brown communities, Marylanders from low-income communities, especially communities of color, find themselves often strapped with gratuitous transportation-related debts. Add to this, the issues of both driving on suspended licenses due to the inability to pay for child support and the unaffordability of auto insurance within urban communities, and a nightmare situation begins to loom.

According to an American Community Survey in 2015, an estimated 75% of Marylanders with suspended licenses continue to drive their vehicles despite the restriction. Studies show that this behavior doesn’t occur out of willful rebellion, but out of necessity. Restricted drivers recorded locations such as *work*, daycare, school, or the grocers as their intended destinations when they were pulled over. Additionally, Maryland Auto recorded in a 2018 report that nearly 500,000 Marylanders drive uninsured due to the inability to afford it. NPR reported that urban populations like Baltimore City, pay anywhere from 60%-100% more in monthly auto insurance premiums than their suburban counterparts. When poor workers- many of whom earn a minimum wage- don’t have the finances to pay for insurance or have the resources to free themselves from suspensions and drive anyway out of necessity, they are massively fined and fiscally penalized.

Maximizing on the misfortune of the indigent is the Central Collections Unit (CCU) which layers on tremendous amounts of interest - averaging around 17% - to the already unpayable debts. The CCU is entirely funded off of the money collected from debtors and as such are incentivized, perhaps incidentally, to increase penalties unnecessarily. The current business model is unsustainable and disproportionately harms indigent Marylanders who lack the capital to pay down such fees.

House Bill 364 seeks to address this by reducing the amount of interest the CCU can collect on debt to 5%. It also eliminates additional administrative fees from being added to the debtor’s package and prevents an obtuse settlement from occurring. This will go a long way in reducing punitive damages on financially vulnerable Marylanders. For these reasons, we strongly urge a favorable report on House Bill 364.